

EXECUTIVE SECRETARIAT

Routing Slip

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		✓ wloatt		
2	DDCI		✓ "		
3	EXD:R				
4	D/ICS				
5	DDI		✓ wloatt		
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC	✓	wloatt		
10	GC				
11	IG				
12	Compt				
13	D/EEO				
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
17	SA/IA				
18	AO/DCI				
19	C/IPD/OIS				
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SUSPENSE		Date			

Remarks:

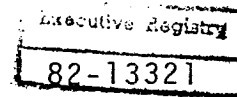
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D/Executive Secretary

12/5/82

Date

3637 (10-81)



3 December 1982

MEMORANDUM FOR: Chairman, National Intelligence Council
FROM: Director of Central Intelligence
SUBJECT: Yugoslavia

1. There is a very good DDI intelligence assessment dated 22 November 82 entitled "Yugoslavia: The Strains Begin to Tell" (attached). The question of what to do to help Yugoslavia's position will come up early in the year, perhaps as early as January.

2. I think we should do a quick SNIE on what the Soviets might do to abort a Western rescue effort with responses like these and others you will think of:

-- As they have in the past, the Soviets could punish Belgrade by cutting oil shipments.

-- Or they could cut the level of Yugoslavian-Soviet countertrade, which has I believe doubled in the last few years.

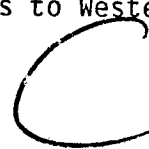
-- Either of these actions, if not countered, would devastate the Yugoslavian economy.

-- Alternatively, the Soviets could so to speak bid against the West by boosting oil shipments and enhancing the terms of trade.

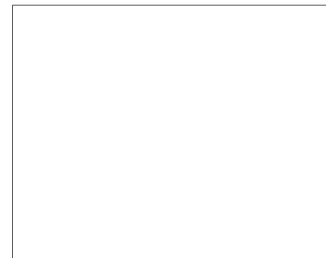
-- The Soviets could also offer weapons to the Yugoslavian military forces on terms the generals couldn't refuse. A strong alliance with the Yugoslavian army would be immensely valuable to Moscow.

3. Then we should go on to consider what measures would be available to the West to any such Soviet countermeasures--oil supply, weapon supply, etc.

4. It might be entitled "Likely Soviet Responses to Western Initiatives in Yugoslavia."


William J. Casey

Attachment



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